

ADDITIONAL VIEWS
TO ACCOMPANY H.R. 1375,
"FINANCIAL SERVICES REGULATORY RELIEF ACT OF 2003"

We generally support the version of H.R. 1375 as reported out of the Committee on the Judiciary, but we have one reservation about a provision that was not addressed at the Committee markup. Section 609 of H.R. 1375 amends section 11(b) of the Bank Holding Company Act of 1956, 12 U.S.C. § 1849(b), and section 18(c)(6) of the Federal Deposit Insurance Act, 12 U.S.C. § 1828(c)(6), by reducing the minimum waiting period from 15 calendar days to five calendar days for banks and bank holding companies to merge with or acquire other banks or bank holding companies. Although no amendment was offered at the Committee, we feel that this provision should be struck from the bill.

Community organizations have raised concerns about this provision, which reduces to five days the pre-merger, mandatory 15-day waiting period with the Attorney General's approval. During the course of a bank merger process, both the Federal financial supervisory agency and the Department of Justice review the merger proposal for competitive concerns. After a Federal banking agency approves a merger, DOJ has 30 days to decide whether to challenge the merger approval on antitrust grounds. At a minimum, the merging banks must now wait 15 days before completing their merger. Currently, banking law allows third parties (other than Federal banking agencies or DOJ) to file suit during the post-approval waiting period. As proposed, section 609 would reduce the minimum 15-day waiting period to 5 days when DOJ indicates it will not file suit challenging the merger approval order.

We believe this provision is anti-Community Reinvestment Act ("CRA") and strips the organizations' right to seek judicial review of Federal bank merger approval orders. Without such review, community organizations will be deprived of impartial means and mechanisms for ensuring that CRA performance obligations are taken into account when considering merger approvals. Community-based organizations use such suits to obtain information about the merger and ensure that the merger will not result in disproportionate branch closures in low-income or minority communities. We believe they play an important role in the public interest and would like to reaffirm our desire that the mandatory 15-day waiting period remain and that section 609 be struck from the bill.

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